

2008 Annual Report

United States Department of Agriculture Rural Development *California*



Committed to the future of rural communities.

USDA Rural Development *Committed to the future of rural communities*

"I have great confidence that our economy will pull through what is a difficult period, because I have great confidence in the boundless, innovative spirit of the American people.



This is a nation that has faced tough challenges in the past and overcome them, and we will do so again. With sound policies and the ingenuity of our citizens, our economy will remain the strongest, most vibrant, and most hopeful in the world."

George W. Bush, President of the United States

"Our rural communities are the home and heart of American agriculture. Family life on the farm largely depends on the schools, hospitals, businesses, and other services in town.



That's why our rural development mission is so important. In 2008 alone, USDA Rural Development invested nearly \$20 billion in rural communities, including water systems, health care, education, small businesses, and home ownership. I'm very proud of the Bush Administration's record of support for rural America and proud of our dedicated USDA Rural Development team."

Ed Schafer, Secretary of Agriculture

"I firmly believe rural America is on the cusp of an era of remarkable opportunity. Our traditional missions will remain important. We're going to continue to provide housing, to provide infrastructure, business services and community facilities just as we always have. That is absolutely a given. Today, however, broadband, distributed computing, quality of life attracters and renewable energy are opening new doors for rural entrepreneurs and rural communities all across the country. Our mission at USDA Rural Development, our responsibility, is to help these rural communities step up and take advantage. That's what we're all about."



Thomas C. Dorr, Under Secretary for USDA Rural Development

Funding Distribution by County *Fiscal year 2008 totals*





At USDA Rural Development our mission is to increase economic opportunity and improve the quality of life for the 60 million Americans who live in rural communities.

This is a mission which is evolving. Rural economies are increasingly diversified. Broadband and information technology are eroding barriers of time, distance, and isolation. Both businesses and individuals have gained new and unprecedented freedom of location. Renewable energy is a national priority and a historic opportunity for economic growth, new jobs, and wealth creation in rural areas. Now more than ever rural communities are capable of providing good jobs, quality healthcare, affordable housing, and first-rate schools.

Our role is also growing; USDA Rural Development's loan and loan guarantee portfolio for the first time in history exceeds \$100 billion. Our investments in California exceeded \$405 million in FY2007, and grew to over \$550 million in FY2008. During the Bush Administration, USDA Rural Development invested more than \$2.8 billion and created or saved more than 11,000 jobs in California's rural communities.

Key to our continued success is the understanding that we cannot remain a static provider of traditional programs in traditional locations via traditional methods and hope to remain relevant in dynamic and increasingly fast-paced rural economies. In FY2008 the reauthorization of the Farm Bill, tightening credit markets, economic uncertainties, and other factors compelled the shifting of priorities and resources to meet new and changing demands. Lenders seeking liquidity and risk mitigation spurred dramatic increases in guaranteed lending program levels. Falling home prices made families eligible for single-family housing loans where they had previously been priced out. Increased regulatory scrutiny compelled more small rural communities to seek USDA Rural Development's assistance in dealing with aging water and sewer infrastructure and ever-increasing costs of construction. We challenged our staff to respond swiftly and decisively to these and other dynamics, and they did so in an exemplary fashion.

USDA Rural Development is fundamentally an investment bank. We're not in the business of handouts. We're not in the business of bailouts. We are in the business of identifying communities and entrepreneurs who are showing initiative and charting their own course to a better future, and supporting these efforts in a way that maximizes the return on federal dollars. We have achieved tremendous success in these efforts over the course of the past eight years, and I am confident that our agency will produce even greater achievements in 2009 and beyond.

Benjamin L. Higgins, State Director, USDA Rural Development

*creating opportunity & building infrastructure &
helping families & affordable housing*

Business and Cooperatives

USDA Rural Development Business and Cooperative programs help rural business owners, entrepreneurs, and our nation's farmers and ranchers meet head-on the challenges of an intensely competitive global economy while creating good jobs and sustainable opportunities for economic growth in rural America.



Supporting Rural Entrepreneurship

USDA Rural Development works closely with entrepreneurs and private-sector commercial lenders to provide Business & Industry (B&I) guaranteed loans for the creation or expansion of main-street businesses in rural communities.

USDA Rural Development strives to create new jobs, new businesses, and new economic opportunities in rural California

California was once again the top state in the nation in 2008 in this important program, with over \$200 million – double the amount committed in fiscal year 2007 – committed to 83 businesses in rural communities.

Included amongst those businesses which received a B&I guaranteed loan in California was Kelseyville Lumber & Supply Company Inc., a family-owned home improvement retailer and lumber yard in Kelseyville, CA. USDA Rural Development guaranteed a \$9,500,000 loan originated by Heritage Bank to allow the company

to build a 80,868 sq. ft. retail and commercial building and 34,950 sq. ft. of storage facilities. This new facility will allow Kelseyville Lumber & Supply to move out of their original location – occupied since 1956 – and significantly expand retail and commercial sales of hardware, lumber and building materials. The expansion will also permit the company to hire ten additional employees.



creating
opportunity

OPPOSITE PAGE: Catherine Lyons of Heritage Bank of Commerce with Mark Borghesani, owner of Kelseyville Lumber & Supply Company. THIS PAGE, LEFT TO RIGHT: Some of the 500 cows at Cal-Denier Dairy in Galt, CA used to power a new methane digester (*Photo courtesy of SMUD, photographer Kevin Graft*); USDA Rural Development State Director Ben Higgins (center) and Area Specialists Lee Takikawa (second from left) and Sally Tripp (right) present a \$125,000 check to Mike Foley (left) and Debbie Raven (second from right) of Valley Small Business Development Corporation in Fresno; Snow's Citrus Court owners Bob Bonk, Tshandy Snow, Larry Snow and Ralene Snow pictured at their Newcastle, CA orchard; Central Valley Biofuels partners (L-R) Jose Meza; Kathy Clemo; Gordon Saito; Garth Hoyman; and Jerry Framsted at the future site of their new biodiesel plant in Orange Cove, CA.





Fostering Economic Development

USDA Rural Development strives to create new jobs, new businesses, and new economic opportunities in rural California by providing modest-sized grants to organizations and public entities which finance and facilitate development of small and emerging rural businesses. Through the Rural Business Enterprise Grant (RBEG) program, 26 grants were awarded to a diverse array of organizations seeking to foster economic development in rural areas.

For example, in Northern California the Siskiyou County Economic Development Council received a \$30,000 RBEG to grow their shared-use commercial kitchen, which local entrepreneurs use to safely and effectively produce, process, and market commercial food products. In Central California, Valley Small Business Development Corporation received a \$125,000 RBEG to allow their trained lending staff assist the rural, economically vulnerable communities of Parlier and Orange Cove in managing their revolving loan programs and in providing much-needed capital to small local businesses. In Southern California, the Desert Alliance for Community Empowerment, Inc. received three separate RBEGs totaling \$340,000 to establish a revolving loan fund for Riverside County start-up businesses, conduct marketing and feasibility studies for established businesses in the region, and develop a marketing plan to develop new businesses and sustainable employment opportunities in the Palo Verde Valley.

USDA Rural Development is today the leading federal financier of commercial renewable energy ventures in rural areas.

Generating Renewable Energy

With more than \$700 million invested in renewable energy and energy efficiency projects, USDA Rural Development is today the leading federal financier of commercial renewable energy ventures in rural areas. These loans and grants – supporting projects ranging from wind to solar to biofuels to geothermal to hydroelectricity and more – create new economic

opportunities for farmers, ranchers, and rural small businesses, and reduce dependence on imported fossil fuels.

Among those renewable energy ventures supported in California in FY2008 was Central Valley Biofuels, which converts waste vegetable oil collected from San Joaquin Valley restaurants into biodiesel. The company successfully applied for both a \$300,000 B&I guaranteed loan – originated by Fresno's United Security Bank – and a \$200,000 Rural Energy for America Program grant. Funds are now being used to expand operations into a new 10,000 square foot production facility in Orange Cove, CA.



Supporting Agricultural Innovation

2008 also saw the completion of a number of renewable energy projects funded in prior fiscal years. In July, dairyman Fred Denier flipped the switch on his anaerobic digester at Cal-Denier Dairy in Galt, CA, which captures methane from manure produced by his dairy cows and converts it into electricity – significantly reducing both waste and energy costs. This digester, which received both USDA and Sacramento Municipal Utility District funding, is the first of many similarly-funded digesters in the Sacramento region to come online.



Six California agricultural organizations received Value-Added Producer Grants (VAPG) totaling over \$1.3 million in 2008 to develop new market opportunities and processing techniques for raw agriculture commodities. In making these investments, USDA Rural Development improves the financial returns of family farmers and ranchers, and helps them receive a greater share of the end-value of their product. For example, Snow's Citrus Court, a family-owned and operated specialty citrus farm in Newcastle, CA received \$67,073 in VAPG funds in 2008 to market their citrus-based syrups, marinades, sauce and vinaigrettes through regional retailers.

"USDA Rural Development is our go-to partner for rural areas. From water systems to job creation, we've worked together to deliver more than \$46 million to rural Riverside County communities. Their staff understands these communities' needs, and works with us to creatively address needed services via a number of housing, utilities, business and community facility programs."

Jeffrey Hays

*Executive Director,
DACE/RANCHO Housing Alliance, Inc.*

OPPOSITE PAGE, LEFT TO RIGHT: A sample of sauces and vinaigrettes from Snow's Citrus Court; Siskiyou County Economic Development Council's Jeff Capps and Linda Kimball of Raley's grocery store in Yreka, CA. The Council and Raley's partnered to offer products developed by local businesses utilizing the shared-use kitchen funded by USDA Rural Development.

Business & Cooperatives Fiscal Year 2008 Totals

| PROGRAM | Loan Guarantee Amount | Direct Loan Amount | Grant Amount |
|--|-----------------------|--------------------|----------------------|
| Rural Energy for America Program | | | \$298,445 |
| Rural Cooperative Development Grants | | | \$200,000 |
| Value-Added Producer Grants | | | \$1,312,188 |
| Business & Industry Guaranteed Loans | \$203,102,566 | | |
| Rural Business Enterprise Grants | | | \$1,965,603 |
| Rural Business Opportunity Grants | | | \$200,014 |
| Intermediary Relending Program | | \$3,210,989 | |
| TOTAL | | | \$210,289,805 |
| <i>Chuck Clendenin, Program Director</i> | | | |

Community Programs

USDA Rural Development serves as an investment bank for small rural communities, offering grants, loans and loan guarantees for water distribution, wastewater disposal and treatment, telecommunications and broadband access. Additionally, USDA Rural Development's Community Facilities assistance provides for the construction, equipping and renovation of essential community facilities including schools, town halls, police and fire stations, hospitals and day care centers.



Water & Waste Disposal

Many rural communities across the state struggle to provide clean drinking water, safe sanitation, and adequate water services to residents, and must contend with soaring construction costs for new infrastructure. In 2008, USDA Rural Development invested more than \$31 million in loans and \$13.5 million in grants to allow 23 small rural communities to upgrade existing water and sewer systems or

Many rural communities across the state struggle to provide clean drinking water, safe sanitation, and adequate water services to residents.

construct new ones. Two of these communities were Mendota in Fresno County and Santa Margarita in San Luis Obispo County.

The City of Mendota had struggled with aged wastewater infrastructure for more than a decade, and was operating under a cease and desist order issued by the Regional Water Quality Control Board, which significantly hampered the ability of community

leaders to attract and retain businesses. Recognizing the economic need, USDA Rural Development provided a \$2.25 million loan and \$1.4 million grant to construct four new wastewater treatment ponds, and install new headworks, pumps and other essential equipment. The project – though not a cure-all for Mendota's economic difficulties – will bring the community into regulatory compliance and assist in ailing chronic unemployment.

In Santa Margarita, the existing water distribution system fell short of meeting the community's water needs, and would have been wholly inadequate in the event of a fire, drought or other emergency. USDA Rural Development provided a \$1.9 million loan and \$1 million grant to

construct a new 487,750 gallon water storage tank, replace water and fire flow pipelines, install 22 new fire hydrants, and connect the community's water system to a nearby state water pipeline for emergency use.



building infrastructure

OPPOSITE PAGE: Sergeant Daniel Cervantes with the City of Mendota's cruiser, purchased with assistance from a \$21,780 USDA Rural Development community facilities grant in 2005; THIS PAGE, LEFT TO RIGHT: State Director Ben Higgins (center) presents a \$3.65 million check to Mendota in May 2008 for wastewater upgrades. From L-R stand City Manager Gabriel Gonzalez; Mayor Pro Tem Joseph Amador; Councilmember S. Leo Capuchino; State Director Higgins; Mayor Robert Silva; Congressman Jim Costa; Fresno County Supervisor Phil Larson; In Santa Margarita, crews work to locate and replace an existing 8" pipeline supplying water to the community. Both the pipeline and the storage tank are slated for replacement; Santa Margarita receives a \$2.99 million check for water infrastructure. From L-R stand County Service Area Chairman Alan Volbrecht; Committee Member Pam Eidemann, State Director Ben Higgins; Jeff Werst, SLO County Public Works; USDA Rural Development also assisted Firebaugh, CA purchase this badly-needed fire truck with a \$34,250 community facilities grant.

“The City of Lindsay’s partnership with USDA is invaluable. For over twenty years, USDA has been committed to infrastructure, housing, economic development, and other projects in Lindsay. Through this support, USDA has contributed to the overall revitalization of the community and in doing so has been a positive influence for change that will benefit generations.”

Scot Townsend

City Manager, City of Lindsay



Community Facilities

USDA Rural Development helps ensure rural communities can offer good schools, first-rate healthcare, and effective fire and law enforcement agencies. In 2008, over \$21 million in loans, grants and guaranteed loans was invested in these critical community services and facilities.

Among these investments was a \$2.1 million multi-year loan committed to Anderson Valley Health Center, Inc. in Boonville, CA. Funds are presently being used to expand their facility, which provides primary medical and dental services in rural Mendocino County. Notably, the facility will be one of the first LEED®-certified community health centers in California, with recycled and sustainably-grown lumber used for construction, solar-powered heating, cooling, and lighting, and extensive recycling programs in the works. Complementing this investment was a \$50,000 grant provided to Anderson Valley Ambulance Service, which will allow the company to replace a 12-year-old ambulance with an upgraded design.

Tribal healthcare is a growing part of USDA Rural Development’s community facilities portfolio, and perhaps the most significant of these investments made in 2008



was the \$5.4 million direct loan and \$7.2 million guaranteed loan committed to CHAPA-DE Indian Health Services for the construction of a 28,000 square foot clinic in Grass

USDA Rural Development helps ensure rural communities can offer good schools, first-rate healthcare, and effective fire and law enforcement agencies.

Valley, CA. This clinic, which opened its doors in October 2008, offers medical, dental, orthodontia, podiatry, optometry, behavioral health, maternal-child health and other medical services to Native Americans and other low-income residents of Nevada County. The new facility’s architecture reflects a ‘circle of healing’ philosophy and offers ample outdoors space for meditation gardens and walkways with natural vegetation.

USDA Rural Development also invested over \$2 million in loans and grants in 2008 to provide for the safety and security of rural residents. Thanks to the agency’s financial assistance, 25 small rural communities from Modoc to Imperial Counties were able to purchase six new police vehicles, two new fire trucks, over \$600,000 of rescue and fire suppression equipment, over \$300,000 of emergency medical equipment, and make improvements to four rural fire stations.



OPPOSITE PAGE, LEFT TO RIGHT: Anderson Valley Ambulance Service's new vehicle with EMTs Jan Wassen-Smith and Charlie Paget-Seekins; Anderson Valley Health Center staff outside their newly renovated clinic. Pictured left to right: Carolina Tovar, Receptionist; Fabiola Cornejo, Data Entry; Judy Nelson, RN and Frannie Leopold, Physician Assistant; THIS PAGE, LEFT: CHAPA-DE Indian Health Services CFO Ann Massuere, CEO Carol Ervin and Administrative Services Director Pam Padilla, outside their recently completed health care center in Grass Valley, CA; BELOW: Child at West Hills College Child Care Center in San Joaquin, CA which received a \$31,890 community facilities grant in 2006.

Community Programs Fiscal Year 2008 Totals

| PROGRAM | Loan Guarantee Amount | Direct Loan Amount | Grant Amount |
|---|-----------------------|--------------------|---------------------|
| Water and Waste Disposal Loans/Grants | \$475,000 | \$30,769,000 | \$13,561,000 |
| Community Facilities Loans/Grants | \$12,829,200 | \$7,567,000 | \$837,492 |
| Economic Impact Initiative Grants | | | \$453,500 |
| Distance Learning & Telemedicine Grants | | | \$931,366 |
| Rural Community Development Initiative | | | \$556,741 |
| Telecommunications Loans/Grants | | | \$853,200 |
| TOTAL | | | \$68,833,499 |

Janice Waddell, Program Director



Single-Family Housing

USDA Rural Development's single-family housing programs offer affordable direct and guaranteed mortgages, self-help housing opportunities, and home repair loans and grants to qualified individuals and families in rural communities. Since 1935, USDA Rural Development and predecessor agencies have provided first-time homeownership opportunities to more than 2.5 million Americans.



Providing the American Dream

While news of rising foreclosure rates, cash-strapped lenders, and falling home values dominated the housing

Once again, a significant portion of 502 direct loans were obligated by USDA Rural Development California to low- and very-low income families building their own homes from the ground up...

market headlines in 2008, these same factors resulted in significantly increased demand for USDA Rural Development's subsidized direct and unsubsidized guaranteed mortgages – commonly referred to as Section 502 loans – in California.

Over the course of the fiscal year, USDA Rural Development provided 315 families with affordable Section 502 direct loans totaling more than \$51 million –

an increase of nearly 40% over FY2007. Falling home prices throughout much of California, which served to make more families and properties eligible for the program, contributed in a significant way to this increased production.

Once again, a significant portion of 502 direct loans were obligated by USDA Rural Development California to low- and very-low income families building their own homes from the ground up, with the assistance of one of California's ten local self-help housing organizations. Families participating

in this process contribute a minimum of 30 hours of labor each week through a 10–12 month construction period, and significantly reduce the final cost of their new home.



helping families

OPPOSITE PAGE: Mrs. Virginia McCleary stands outside her new home in Orange Cove, CA financed with a Section 502 direct loan. After her original home was destroyed by fire, USDA Rural Development worked closely with Orange Cove and Fidelity Title staff to allow her to affordably rebuild. THIS PAGE, LEFT TO RIGHT: State Director Ben Higgins with new homeowners Nicolas and Reyna Zurita in Oroquieta, CA. USDA Rural Development partnered with Self-Help Enterprises – the first rural self-help housing organization incorporated in the nation – to make these new homes a reality. The Zuritas and nine other families finished construction in May 2008; USDA Rural Development staff, Gridley, CA mayor Jerry Fichter, and soon-to-be-homeowners lift a ceremonial first shovelful of dirt at the Locust Estates, a planned 19-home self-help subdivision being developed by Community Housing Improvement Program. USDA Rural Development provides Section 502 financing to the homeowners and technical assistance grants for partnering self-help organizations to plan and oversee construction.



“Housing is one of the foundations of the America dream. It helps families accumulate wealth. It creates a secure environment for kids. It strengthens communities. It creates benefits that span generations.”

Thomas C. Dorr
USDA Rural Development Under Secretary



Mitigating the Housing Credit Crisis

Working with both families who may have difficulty obtaining conventional financing and commercial lenders – many of whom were eager for liquidity and risk mitigation in tumultuous credit and housing markets – USDA Rural Development provided more than \$120 million in Section 502 guaranteed loans in fiscal year 2008. Again, market factors contributed significantly to program growth in California – which was more than double the \$55 million obligated in California in fiscal year 2007. Amazingly, this program continued to be managed by a single USDA Rural Development employee – Annette Joyer in Elk Grove, CA – whose commitment and dedication to the program made home-ownership possible for more than 640 California families.



Making Needed Home Repairs

In addition to helping purchase homes, USDA Rural Development offers modest-sized home repair loans and

Funds are typically used for basic needs including roof repair, urgent plumbing and electrical work, or handicapped accessibility.

grants to homeowners living with health and safety hazards, but lacking funds to make necessary renovations. Funds are typically used for basic needs including roof repair, urgent plumbing and electrical work, or handicapped accessibility.

In fiscal year 2008, \$670,000 was invested to repair 92 homes throughout California's rural communities.





“Without question, USDA Rural Development is one of our most important partners. This past year, they broke all records in terms of the total dollar amount of investments in California. That is a fantastic testimony to the exceptional effectiveness and commitment of USDA Rural Development staff to serving low-income rural communities. Their accessibility, responsiveness, and diligence in executing their responsibilities are just unmatched by any other agency.”

Robert Wiener
*Executive Director,
 California Coalition for Rural Housing*

Single-Family Housing Fiscal Year 2008 Totals

| PROGRAM | Loan Guarantee Amount | Direct Loan Amount | Grant Amount |
|-------------------------------------|-----------------------|--------------------|----------------------|
| Sec. 502 Homeownership Loans | \$122,435,173 | \$50,908,556 | |
| Sec. 504 Home Repair Loans & Grants | | \$167,934 | \$503,337 |
| Sec. 523 Self-Help Housing Grants | | | \$6,385,722 |
| TOTAL | | | \$180,400,722 |

Bob Anderson, Program Director

OPPOSITE PAGE, LEFT TO RIGHT: Narciso and Lidia Martinez with their sons Jesus and Angel in Gridley, CA at the future site of their home; One of the 39 homes in the Sierra Vista subdivision developed by Mercy Housing in Linda, CA through the self-help housing program; THIS PAGE: USDA Rural Development staff kicked off National Homeownership Month in Oroquieta, CA, where Self-Help Enterprises is assisting a total of 46 families build their own homes.

Multi-Family Housing

Limited incomes and high real estate prices compel many rural families to seek rental housing. Through new construction, rehabilitation of existing structures, designated farm labor housing and rental assistance, USDA Rural Development's multi-family housing programs help provide California's most vulnerable rural residents with safe, affordable housing.



Providng Affordable Rental Housing

USDA Rural Development currently oversees the management of over 500 agency-financed rental projects in California's rural communities housing more than 40,000 people. To continue the availability of affordable rental units

USDA Rural Development also works to ensure that affordable rental housing remains affordable.

for qualifying families and the elderly, USDA Rural Development offers Section 515 direct loans and Section 538 guaranteed loans for construction and rehabilitation.

In 2008, USDA Rural Development California obligated six Section 515 direct loans of \$1,000,000 each for the construction of 350 units of new housing, and 16 Section 538 guaranteed loans – totaling over \$23 million – making for California's best year ever in the Section 538 program.

USDA Rural Development also works to ensure that affordable rental housing remains affordable. In 2008, the agency provided more than \$27 million in Section 521 rental assistance to 5,086 low-income tenants living in USDA-financed property in California, to ensure that these tenants pay no more than 30% of their income on their monthly rent. Additionally, USDA Rural Development provided financial incentives to preserve 11 rental complexes originally financed by USDA. These units, housing roughly 500 families, were transferred to non-profit housing organizations rather than being converted to market-rate housing.



*affordable
housing*

OPPOSITE PAGE: The new Central Ave. Apartments in Wasco, CA dedicated for senior farmworkers. THIS PAGE, LEFT TO RIGHT: In Farmersville, crews work to finish the 48-unit Gateway Village Apartments, completed in November 2008. Farmersville Gateway Associates received a \$1,000,000 USDA Rural Development Section 515 direct loan, which was coupled with conventional financing, a portion of which was made by the Housing Authority of Tulare County, and Low Income Housing Tax Credits to facilitate construction; The old Benito Street Farm Labor Housing Center being demolished. Originally constructed in the 1940s and converted to farm worker housing in the 1950s, these units have been replaced by modern, spacious townhouse-style units on an adjacent property; Ribbon-cutting celebrating the opening of the new units.

Housing California's Farm Workers

USDA Rural Development is the only federal agency offering programs dedicated for farm worker housing, and in California over \$30 million in Section 514 loans and Section 516 grants were committed in 2008 for this purpose. Borrowers, including non-profit housing organizations and local agencies, not only use USDA Rural Development funds to provide affordable housing to California's farm workers, but in many cases offer a variety of services, including English language courses and personal finance education.

July 2008 brought the opening of the 42-unit Central Ave. Apartments in Wasco, CA. Developed by Wasco Affordable Housing, Inc. and partially funded by USDA, Central Ave. is one of the very few multi-family housing projects exclusively dedicated for senior farmworkers, meaning that tenants must be both 62 years of age or older, and either employed by or retired from the agriculture industry.

Fiscal year 2008 also brought the ribbon-cutting for the much anticipated Benito Street farm worker housing project in Soledad, CA. This \$19 million construction project by the Housing Authorities of the County of Monterey and City of Soledad – financed by USDA Rural Development, Citibank, HOME, and Low Income Housing Tax Credits – now offers 73 new townhomes for Salinas Valley farm worker families. Additionally, USDA Rural Development provided \$9.3 million to three organizations to provide services to farm worker families impacted by natural disasters, including wildfires and freezing conditions. These funds, made available by a one-time Congressional appropriation, will be used to provide thousands of families with food, rent and utility assistance, clothing, and more.

Preserving and Repairing Rural Housing

USDA Rural Development provides grants and other forms of assistance via the Section 533 Housing Preservation Grant program to non-profit organizations, local governments, and tribes to repair homes and rental properties

USDA Rural Development is the only federal agency offering programs dedicated for farm worker housing.

occupied by low-income families in rural areas. These intermediaries identify pressing rehabilitation needs, ranging from leaking roofs to crumbling foundations, and use Housing Preservation Grant funds to ensure that necessary repairs are completed. In 2008, USDA Rural Development committed \$509,060 in Housing Preservation Grants to six organizations to renovate approximately 49 homes and units in two mobile home parks in California.



One homeowner assisted with this program in 2008 was Ms. Rhonda Garcia of Thermal, who received assistance to repair her home via a Housing Preservation Grant provided to DACE-RANCHO Housing Alliance, Inc of Riverside County. Although Ms. Garcia's home needed more in repairs than the program allowed, DACE-RANCHO worked with another local partner, Torres Martinez Tribal Housing Authority, to loan Ms. Garcia the difference to ensure that she would be able to move into a much more safe and secure home.



“In a period of uncertain times and fluctuating markets, it is refreshing to have an agency like USDA Rural Development be adaptive and flexible in executing complex transactions. We have had the opportunity to close several 538 loans and 515 transfer applications and are impressed with the level of professionalism, dedication, and hard work that is consistently displayed by USDA Rural Development staff.”

Anand Kannan
Project Manager, Pacific Housing Advisors, Inc.

Multi-Family Housing Fiscal Year 2008 Totals

| PROGRAM | Loan Guarantee Amount | Direct Loan Amount | Grant Amount |
|---|-----------------------|--------------------|---------------------|
| Housing Preservation Grants | | | \$509,060 |
| Farm Labor Housing Loans/Grants | | \$27,037,828 | \$3,862,864 |
| Sec. 515 Rental Housing Loans | | \$6,000,000 | |
| Sec. 521 Rental Assistance | | | \$27,525,432 |
| Sec. 538 Rental Housing Loans | \$23,252,800 | | |
| Emergency Farmworker Assistance | | | \$9,392,863 |
| TOTAL | | | \$97,580,847 |
| <i>Stephen Nnodim, Program Director</i> | | | |

OPPOSITE PAGE, LEFT TO RIGHT: One of the few affordable housing complexes in Inyo County – Lone Pine's Mt. Whitney Apartments – recently received a face lift with help from a \$350,000 Section 515 loan from USDA Rural Development. Improvements to the 34-unit complex included new siding, paint, kitchen and bathroom upgrades, flooring, landscape, and playground equipment. With help from Buckingham Property Management, Mt. Whitney Apartments are now the most sought-after rental units in the community; THIS PAGE: Before and after photos of Rhonda Garcia's home which was repaired by DACE-RANCHO Housing Alliance with Housing Preservation Grant funds.

| OFFICE | ADDRESS <i>(City is local office)</i> | PHONE | OFFICE | ADDRESS <i>(City is local office)</i> | PHONE |
|--|--|--------------------------|---|---|--------------------------|
| Area 1 — Glenn, Lassen, Modoc, Plumas, Shasta, Siskiyou, Tehama and Trinity Counties | | | Area 4 — Fresno, Madera, Mariposa, Merced, Stanislaus and Tuolumne Counties | | |
| Roger J. Trindade , Area Director | | (530) 226-2560 | Richard Brassfield , Area Director | | (559) 276-7494 x4 |
| Redding Area Office | 3644 Avtech Parkway, Suite A, 96002-9241 | (530) 226-2560 | Fresno Area Office | 4625 West Jennifer Street, Suite 126, 93722 | (559) 276-7494 x4 |
| Alturas | 808 West 12th Street, 96101-3211 | (530) 233-4615 | Merced | 2135 Wardrobe Avenue, Suite A, 95341-6490 | (209) 722-4119 x4 |
| Yreka | 215 Executive Court, Suite B, 96097-2692 | (530) 842-6123 x4 | Modesto | 3800 Cornucopia Way, Suite E, 95358 | (209) 491-9320 x4 |
| Area 2 — Alpine, Amador, Butte, Calaveras, Colusa, Contra Costa, El Dorado, Mono, Nevada, Placer, Sacramento, San Joaquin, Sierra, Solano, Sutter, Yolo and Yuba counties | | | Area 5 — Inyo, Kern, Kings, San Luis Obispo, Santa Barbara, Tulare and Ventura Counties | | |
| Ron Tackett , Area Director | | (530) 533-4401 x4 | Mike Carnes , Area Director | | (559) 734-8732 x4 |
| Oroville Area Office | 150-D Chuck Yeager Way, 95965-5791 | (530) 533-4401 x4 | Visalia Area Office | 3530 West Orchard Court, 93277 | (559) 734-8732 x4 |
| Auburn | 251 Auburn Ravine Road, Suite 107, 95603 | (530) 885-6505 x4 | Bakersfield | 5000 California Avenue, Suite 100, 93309 | (661) 336-0967 x4 |
| Elk Grove | 9701 Dino Drive, Suite 170, 95624-4042 | (916) 714-1104 x4 | Santa Maria | 920 East Stowell Road, 93454 | (805) 928-9269 x4 |
| Area 3 — Alameda, Del Norte, Humboldt, Lake, Marin, Mendocino, Monterey, Napa, San Benito, San Francisco, San Mateo, Santa Clara, Santa Cruz and Sonoma Counties | | | Area 6 — Imperial, Los Angeles, Orange, Riverside, San Bernardino and San Diego Counties | | |
| Al Aiello , Area Director | | (707) 526-6797 x4 | John Jebian , Area Director | | (760) 342-4624 x4 |
| Santa Rosa Area Office | 777 Sonoma Avenue, E Street Annex, 95404 | (707) 526-6797 x4 | Indio Area Office | 82-901 Bliss Avenue, 92201 | (760) 342-4624 x4 |
| Eureka | 5630 South Broadway, 95503 | (707) 443-6714 x4 | El Centro | 177 North Imperial Avenue, 92243-2808 | (760) 352-4418 x4 |
| Salinas | 744-A La Guardia Street, 93905 | (831) 757-5294 x4 | Moreno Valley | 22690 Cactus Avenue, Suite 280, 92553-9035 | (951) 656-6800 |

USDA Rural Development State Office

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Rita Medina, Administrative Program Director
Chuck Clendenin, Business & Cooperatives Program Director
Janice Waddell, Community Programs Director
Bob Anderson, Single Family Housing Program Director
Stephen Nnodim, Multi-Family Housing Program Director

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